



Fact Sheet:



Negotiated Net Amount

Overview

Trailer Bill 627, Chapter 64, Statutes of 1993: (1) opened the Negotiated Net Amount (NNA) Pilot Project to all counties for Fiscal Year 1993-94; (2) terminated the pilot project on June 30, 1994; and (3) required the Department of Alcohol and Drug Programs (ADP) to negotiate, on or before July 1, 1994, multi-year contracts with every county thereafter.

History

Formerly, the counties were required to submit county plans to ADP. The process required that the county plans for both alcohol and drug programs be submitted annually and did not allow for the transfer of unspent State General Funds to the following fiscal year.

Negotiated Net Amount Contract

The NNA contracts are negotiated for a combined alcohol and drug program allocation. ADP and the county negotiate and agree upon a fixed amount of funds for services based on dedicated capacity for providing alcohol and drug services to persons eligible for county services.

"Dedicated capacity" is the ability of the county to insure the availability of staff, facilities, and other resources necessary to provide alcohol and drug services. Dedicated capacity is expressed in "units of service" such as:

- clients served;
- visit days;
- available staff hours;
- slot days; and
- available bed days; etc.

NNA contracts were initially negotiated for three fiscal years (i.e., July 1, 1994 through June 30, 1997). Negotiations for the subsequent years were conducted by correspondence. The original three year NNA contract was amended for a fourth year through June 30, 1998. This was to insure that ADP and the counties complied with provisions of AB 2071.

The county is reimbursed monthly in arrears.

Unspent State General Funds identified by April 1 may be retained by the county (exclusive of funding from the Department of Corrections) and spent on identifiable alcohol and drug service priorities, provided that the county demonstrates the negotiated dedicated capacity was met. The county and ADP agree upon an expenditure plan for the unspent funds in the next fiscal year.

Counties participating in the NNA contract process must submit financial reports and other reports including: treatment and prevention services reports, demographic characteristics of service recipients, utilization reports, compliance reports, and end-of-year cost data.

Counties may submit an amendment to the NNA contract at any time. The respective county and ADP will reach agreement on the amendment provisions as in the original contract process.